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Usborne Books at Home

June 5, 2005

Dear Sir or Madam:

I am writing this letter to express my concern over the proposed Business Opportunity Rule R511993. I believe that in its present form, it could prevent me from continuing as an Independent Educational Consultant with Usborne Books at Home (a division of the Education Development Corporation). I understand that part of the FTC's responsibilities is to protect the public from "unfair and deceptive acts or practices," yet some of the sections in the proposed rule will make it very difficult, if not impossible, for me to distribute Usborne.

I became an Usborne Books consultant two years ago when I decided to leave the classroom to stay home with my young children. I felt and still feel that the books are exceptional and I wanted to earn some additional income, stay connected with education through literacy, and build a fantastic family library at a discount. Now, my husband works full-time and my family is not supported through my direct selling business, but I know many people who are dependent on home-based business incomes. The future of their families are dependent on the stability of the direct selling industry. For myself, I appreciate the flexibility of my Usborne Books business as I fit it into my life around my family and a return to teaching part-time.

I am confused by the seven-day waiting period to enroll new consultants, according to the proposed rule. Usborne Books at Home (UBAH) new consultant base kits cost only \$199 and they include 6-months of a website, business supplies, and 33 books. The books alone have a retail value of almost twice the cost of the kit. Additionally, UBAH offers less costly kit specials every month (June's is \$89.95 and contains 20 titles plus business supplies). People buy TVs, cars, and other items that cost much more and they do not have to wait seven days. This waiting period gives the false impression that there might be something wrong with the company or the compensation plan. I also think this seven-day waiting period is unnecessary, because Usborne Books requires no minimum sales except during the first 12 weeks. Even then, the minimum is only \$85, and the only penalty is to pay the difference between the cost of the kit and the retail value of the books. In other words, those people would simply pay for the book they are keeping. Under this waiting period requirement, I will need to keep very detailed records when I first speak to someone about Usborne Books and will then need to send in many reports to my company headquarters. Would that mean that when what I do comes up in conversation at a MOMS Club event, I have to record information about all

in attendance, in case one calls me up out of the blue and says, I really think I'd like to join?

The proposed rule also calls for the release of **any** information regarding lawsuits involving misrepresentation, or unfair or deceptive practices. It does not matter if the company was found innocent. Today, anyone or any company can be sued for almost anything. It does not make sense to me that I would have to disclose these lawsuits unless Usborne Books at Home/EDC is found guilty. Otherwise,UBAH and I are put at an unfair advantage even though UBAH has done **nothing** wrong.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. I am glad to provide references, but in this day of identity theft, I am very uncomfortable giving out the personal information of individuals (without their approval) to strangers. Also, giving away this information could damage the business relationship of the references who may be involved in other companies or businesses including those of competitors. In order to get the list of the 10 prior purchasers, I will need to send the address of the prospective purchaser to the UBAH Home Office and then wait for the list; I myself do not know who are the 10 consultants nearest to me geographically, though I could name a few. I also think the following sentence required by the proposed rule will prevent many people from wanting to sign up as a salesperson - "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers." People are very concerned about their privacy and identity theft. They will be reluctant to share their personal information with individuals they may have never met.

I appreciate the work that the FTC does to protect consumers, yet I believe this proposed new rule has many unintended consequences and there are less burdensome alternatives available to achieving your goals.

Thank you for your time and consideration.

Respectfully,  
Emily La Fave